

(b) If you pay the effective lease rate for 12 consecutive months, we will terminate your relief. The lease rate will return to the effective rate in the first full month following this termination.

(c) We may stipulate in the letter of approval for individual cases certain events that would cause us to terminate relief because they are inconsistent with an end-of-life situation.

§ 203.56 Does relief transfer when a lease is assigned?

Yes. Royalty relief is based on the lease circumstances, not ownership. It transfers upon lease assignment.

ROYALTY RELIEF FOR DEEP WATER EXPANSION PROJECTS AND PRE-ACT DEEP WATER LEASES

§ 203.60 Who may apply for deep water royalty relief?

You may apply for royalty relief under §§ 203.61(b) and 203.62 if:

(a) You are a lessee of a lease in water at least 200 meters deep in the GOM and lying wholly west of 87 degrees, 30 minutes West longitude;

(b) We have assigned your pre-Act lease to a field (as defined in § 203.0); and

(c) You either:

(1) Hold a pre-Act lease on an authorized field (as defined in § 203.0) or

(2) Propose an expansion project (as defined in § 203.0) or

(3) Propose a development project (as defined in § 203.0).

[67 FR 1875, Jan. 15, 2002]

§ 203.61 How do I assess my chances for getting relief?

You may ask for a nonbinding assessment (a formal opinion on whether a field would qualify for royalty relief) before turning in your first complete application on an authorized field. This field must have a qualifying well under 30 CFR part 250, subpart A, or be on a lease that has allocated production under an approved unit agreement.

(a) To request a nonbinding assessment, you must:

(1) Submit a draft application in the format and detail specified in guidance from the MMS regional office for the GOM;

(2) Propose to drill at least one more appraisal well if you get a favorable assessment; and

(3) Pay a fee under § 203.3.

(b) You must wait at least 90 days after receiving our assessment to apply for relief under § 203.62.

(c) This assessment is not binding because a complete application may contain more accurate information that does not support our original assessment. It will help you decide whether your proposed inputs for evaluating economic viability and your supporting data and assumptions are adequate.

EFFECTIVE DATE NOTE: At 63 FR 2619, Jan. 16, 1998, § 203.61 was revised. This section contains information collection and record-keeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

§ 203.62 How do I apply for relief?

You must send a complete application and the required fee to the MMS Regional Director for the GOM.

(a) Your application for deep water royalty relief must include an original and two copies (one set of digital information) of:

(1) Administrative information report;

(2) Deep water economic viability and relief justification report;

(3) G&G report;

(4) Engineering report;

(5) Production report; and

(6) Deep water cost report.

(b) Section 203.82 explains why we are authorized to require these reports.

(c) Sections 203.81, 203.83, and 203.85 through 203.89 describe what these reports must include. The MMS regional office for the GOM will guide you on the format for the required reports, and we encourage you to contact this office prior to preparing your application for this guidance.

[63 FR 2618, Jan. 16, 1998, as amended at 67 FR 1875, Jan. 15, 2002]

§ 203.63 Does my application have to include all leases in the field?

(a) For authorized fields, we will accept only one joint application for all leases that are part of the designated field on the date of application, except as provided in paragraph (a)(3) of this section and § 203.64. However, we will